



twenty-fourth annual report

MEMBERS

Bill Vaags, Dugald	Chairman
Weldon Newton, Neepawa	Vice Chairman
Ken Foster, Arborg	Member-Executive Committee
Brian Cramer, Carman	
Gorden Ferriss, Bowsman	
Doug Head, Treherne	
Don McEwan, Altamont	
Ben Wipf, Headingly	

ADMINISTRATION

R.L. Sedgwick, P. Ag.	General Manager
R. Chabidon	Sales Manager
A. Fulford	Accountant
A.J. Brown	Secretary
R. Bohemier	St. Boniface Yard Superintendent
C. Aeichele	Brandon Yard Superintendent



chairman's letter

Dear Fellow Hog Producers:

For most of us 1988 was a year of sharp contrasts when compared to 1987. We saw temperatures rise and moisture levels fall. We witnessed increased volumes and lower prices. We saw local production issues reach out further, and global issues impact closer to home. It was a challenging year of struggles.

The industry was put to the test on production, economic and political issues. Your Board of Directors and staff pooled their energies to represent your concerns in many areas. Some of the key issues dealt with in 1988 included:

- ongoing communications of concerns to the N.P.P.C.
- continued negotiations to eliminate U.S. countervail
- lobbying in favor of the Free Trade Agreement
- inclusion of producers in the Special Grains Program
- monitoring U.S. efforts to control pseudorabies
- protecting consumer concerns regarding drug residues
- product promotion via international trade missions

There is no doubt that prices were a major concern for our producers in 1988. Farm gate receipts totalled \$198 million. This figure was down \$36 million from 1987's gross revenues of \$234 million.

Low market returns, coupled with high production costs due to the drought conditions, put a great deal of strain on producers. Prices averaged out at \$132.76, down from 1987's figure of \$172.25. It was a situation that existed over the better part of the year, and was only partially put to rest by the Tripartite Stabilization Program.

The Board saw a record 1.87 million head go through the facilities. This represented a 10% increase in marketings over 1987. The Board has 3115 registered producers. This figure is up 8% from last year's total number of production units.

On the political scene, the Free Trade Agreement continued to be a key issue. The Board was pleased to see Free Trade become a reality. It is critical as we enter a global market place to ensure our domestic standards and policies promote rather than hinder our position in world-wide markets.

On a national level, the Board continued its consultations with provincial and federal government bodies to ensure the Tripartite Stabilization Program became a national reality. Producers can take pride in getting national recognition as leaders in support of this important program.

Closer to home, the Board's agreement to provide backing to a line of credit for Springhill Farms Ltd. plant, was close to being finalized. The Board is committed to all important aspects of production; and should any other company face similar challenges or circumstances, the Board would consider providing assistance in a similar manner.

We also commend all packing plants for their proven track record in keeping up with increased production demands on their staff and facilities.

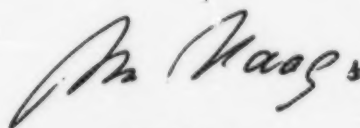
The Board continues to back the importance of provincial Swine A-I programs. It took on a new look this year as two additional facilities were set up offering semen. Producers can look for a producer-based rather than technician-based service in the future.

I must extend my sincere appreciation to Mr. Sedgwick, management and staff at the Board for again succeeding in the many challenges faced in 1988. I enjoyed the continued growth of a team effort between Mr. Sedgwick and myself. Our ability to make informed decisions and respond quickly to producer concerns was made possible by the competent district, marketing, promotions and administrative staff. All efforts combined produced what I felt was an excellent effort.

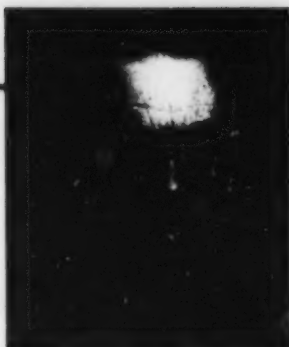
I consider it an honor to work on your behalf. Your interests will be represented beyond the provincial scope as I add to my list of responsibilities chairing the Sectoral Advisory Group on International Trade (S.A.G.I.T.), dealing with such issues as Free Trade and GATT. My ability to represent producers concerns at national and international levels is made possible by the strong support of the Board of Directors. With such a concerted effort, you can be guaranteed continued high quality service from your Board.

Thank you all for your support. Best wishes for the upcoming production year.

Sincerely



Bill Vaags



Don McEwan, Altamont
— Director

DISTRICT 1

Delegates

Dave Day, Deloraine — Secretary
Ken Johnston, Killarney
Leon Sanders, Manitou
Glen Wallcraft, La Riviere
Gordon McDonald, Manitou
Clifford McCallum, Boissevain



Doug Head, Treherne
— Director

DISTRICT 2

Delegates

Harry Plett, Wawanesea — Secretary
Tom Baron, Carberry
Doug Wilson, Reston
Gerry Friesen, Wawanesea
Larry Fisher, Carberry
Ray Timmerman, Treherne



Weldon Newton, Neepawa
— Director

DISTRICT 3

Delegates

Garry Tolton, Newdale — Secretary
Duncan Broadfoot, Gladstone
Andy Cardy, Minnedosa
Jim Farquhar, Birtle
Larry Shaw, Cardale



Gordon Ferriss, Bowsman
— Director

DISTRICT 4

Delegates

Ian Shaw, Swan River — Secretary
Terry Highmoor, Bowsman
Acey Brinkman, Grandview
George Geisel, Ochre River
Ron Bernardin, Laurier

**1988 MHPMB
directors
and
district delegates**



Brian Cramer, Carman
— Director

DISTRICT 5

Delegates

Lloyd Stoesz, Altona — Secretary
Orval Beaudin, St. Eustache
Auke Bergsma, Carman
Charles Fossey, Starbuck
Henry Klassen, Altona
Herm Martens, Rosenort
James Peters, Winkler
Dave Waldner, Morris

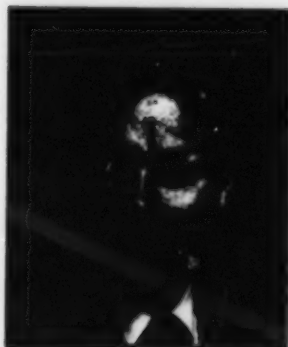


Ken Foster, Arborg
— Director

DISTRICT 6

Delegates

Les Jacobson, Arborg — Secretary
Bob Marcus, Stonewall
Hans Kjeur, Stonewall
Karl Lange, Moosehorn
Edwin Ryden, Eriksdale



Bill Vaags, Dugald
— Director

DISTRICT 7

Delegates

Kai Winther, Dufresne — Secretary
Bernie Brandt, Blumenort
Peter Dyck, Arnaud
Albert Bangert, Beausejour
Vern Kionke, Dugald
Ron Rempel, Ste. Anne
Frank Thiessen, Steinbach
Joe Van Schepdael, East Selkirk



Ben Wipf, Maxwell Colony
— Director

DISTRICT 8

Delegates

Jake Hofer, Valley View Colony
— Secretary
Johnathon Gross, Homewood
Colony
Ben Hofer, Greenwald Colony
Josh Hofer, Starlite Colony
Sam Hofer, Woodland Colony
Edwin Kleinsasser, Sunnyside
Colony
Henry Maendel, Hidden Valley
Colony
Mike Waldner, Upland Colony



manager's remarks

I am pleased to present to you the Twenty-Fourth Annual Report for the year ending December 31, 1988. The year's financial highlights are presented for our membership and persons interested in the operation of the Board.

In addition to financial and statistical reports are our personnel profiles and photographs of Board of Directors and staff at the Board Office. The Board continues to support the building of a close relationship between those persons responsible for policies and procedures and the people who form our membership.

The pork industry faced a very challenging year financially. It meant making some tough choices and decisions. Local concerns were a constant priority. National issues were monitored and action taken where needed. International policies, such as the Free Trade Agreement, were constantly being evaluated.

Production and Prices

Provincially, the year's prices remained low, following trends set at the end of '87, and continued dropping throughout the year. The year's average price, \$132.76/ckgs, was down \$39.27 from last year. The Board's average prices ranged from a high of \$151.58 in June to a low of \$117.69 in November. With the stabilization program in operation and hopes for an end to feed shortages, prices should show an upward trend in '89.

The growth in Manitoba's hog production sector continued in 1988, with total production at 1,830,000 head. This was an increase of 10.7 percent over 1987's production. This volume represents a continuation of the growth of the industry, which ten years ago turned out just 885,000 head. We have now more than doubled our output over this time frame.

Live hog exports increased marginally to 76,000 head during the year. This export movement was in large part due to strike action at two local plants which extended over 12 weeks during the fourth quarter of 1988.

There should be no concern about interruptions in packing plant operations on account of labor disputes for the next three years, as all Manitoba plants are now secured by new labor contracts which run through to 1991.

Quality Improvement

Manitoba producers again demonstrated their ability to produce top quality hogs, as the average index again increased. The figure of 104.8 for '88 was up .4 over '87.

The electronic grading system which incorporates the use of two grading probes, namely the Destron and Hennessy, has now been fine-tuned and appears to be functioning well under the direction of Agriculture Canada staff. In 1988 the Board commenced to develop electronic data capture systems which are being phased in at each of the plants and will serve to add efficiencies to the hog settlement system.

Member Relations

The Board continued to keep communication channels open with its members. The increase in active units to 3,115 from 2,891 in '87 was impressive considering the challenges producers were facing. Producers continued to use the Board's 24 hour 'Hog Call' to get up-to-date shipping information; the 'Hog Market News' monthly newsletter expanding to include information from the directors on policies and planning; and the Promotions Department continued to work hard to make that important link between producers and consumers. The Board of Directors worked closely with the District Delegates to ensure decisions being made were closely matching grass roots level concerns.

'Top 20' Congratulations

The Board honored producers with its 'Top 20' Competition. The overall winner, John K. Guthrie of Reston, won the Top Provincial standing, with an index of 108.7185; Allan Barkman of Birnie won the 1001 to 4000 and finished 8th overall, with an index of 108.1973. Wellwood Colony took the 5th overall and 4001 and up category, with an index of 108.5599.

National Issues

Nationally, the development of the Tripartite Stabilization Program and the Free Trade Agreement were top issues of interest to the Board. The Board supports both, seeing them as a benefit to individual producers and the industry. The Board actively supported numerous national issues on behalf of members.

Pork Trade

Canadian Pork exports totalled 540 million pounds — valued at close to 700 million dollars. Pork and hogs still rate second to wheat as Canada's top export commodities. Pork imports of 25.3 million pounds were down 28 percent from 1987.

Approval was given by the Delegate Body at the Semi-Annual Meeting to increase funding of Canada Pork to 25¢ per head, contingent on other participating provinces' approval and to take effect in mid 1989.

Name Change

A further major decision was made by the delegate body to change the Board's name and a formal announcement concerning this matter will be made at this year's annual meeting. For operating and business purposes, the Board will become "Manitoba Pork Est." with a new logo replacing the old Manitoba Hog Producers' Marketing Board original name and logo.

Pork Promotion

Promotions and marketing continued to play an important role in Board business. Marketing missions focused in on the U.S. situation. Innovative promotions activities included an active program with retail outlets and the Hotel/Restaurant Institute. Our locally developed Crown Roast promotion is going to be adopted by the national promotions body, Canada Pork. Close ties continued between the provincial and national promotions programs.

Board Finances

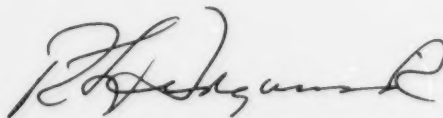
The financial statements in this report reflect the business affairs of the Board for the 12-month period ending December 31, 1988. Gross sales of \$198.5 million were down \$35.8 million from 1987. This, of course, was a reflection of the sharp drop in hog prices during the year. Net operating revenues of \$2.45 million were down one percent from the previous year, while operating expenditures at \$2.09 million were 3.1 percent above budget forecasts. The operating surplus for the year totalled \$360,760. This resulted in an overall strengthening of the Board's financial position of approximately \$200,000, as represented in Members Equity accounts which now total in excess of \$5 million.

The Board members and staff were deeply saddened by the passing of Ed Kleinsasser of Sunnyside Colony. Ed had been the District 8 Director for the past 13 years and had just recently retired. His contribution and participation in Board activities will be missed by his associates.

The past year has been a very busy one for the Board of Directors and, in particular, the Chairman, whose responsibilities extended into the national and international arena — as President of the Canadian Pork Council and Chairman of the Federal Agricultural S.A.G.I.T. In spite of the demands on his time, Mr. Vaags' dedication to the Board's operation is untiring and I appreciate both the support and direction afforded me. My appreciation and thanks also go to the other members of the Executive and Board, whose added participation on various committees is most helpful in the overall effective operation of the Board.

I would like to thank the Board staff for their cooperation, and willingness to go the extra mile to handle additional responsibilities and workload. It makes my job a pleasure having an enthusiastic and competent staff working with me.

On behalf of the Board of Directors, Administration and staff, please accept our appreciation for your continued support.



R.L. Sedgwick

a pictorial glimpse of the board's Winnipeg and Brandon offices

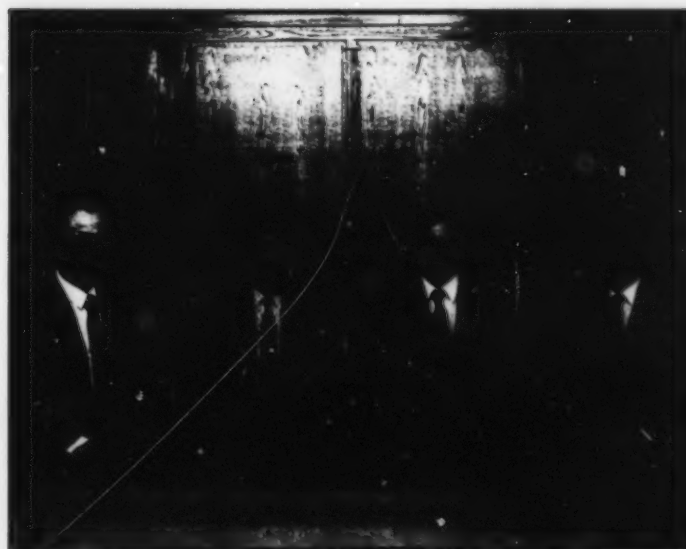


board of directors

Don McEwan,
Ben Wipf and Doug Head
(standing),
Ken Foster,
Brian Cramer,
Bill Vaags,
Weldon Newton and Gordon Ferriss
(seated).

executive committee

Weldon Newton (Vice Chairman),
Larry Sedgwick (General Manager),
Bill Vaags, Chairman and Ken Foster
(alternate).





administrative staff

Sandra Lewkiw, Anne Brown and Irene Gaudreau (seated).
Rene Chabidon and Aden Fullford (standing).

sales & promotion

Marlene McDonald, Betty Hutchings and Mary-Anne Buchko (back row).
Perry Mohr, Ruth Dyker and Rene Chabidon (front row).



accounting department

— L to R — Jess Lazo, Gwen Zimmer and Aden Fullford.

general office staff

Left to Right: Audrey Saustygisto, Joyce Bruneau (Settlement Department); Verda Andrew, (Switchboard); Cecile Lafreniere and Mary Mahood (Settlement).



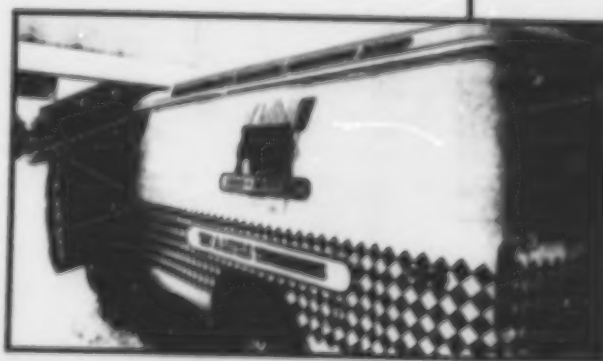
yard staff

L to R: Gerald Gagnon, Greg Klassen, George Haywood, Mitch Gauthier, Glen Richardson, Ivan Huberdeau, Micheal Chambers, Rick McCulloch, George Willis, Ken Foster, Gordon Wood, Missing — Ray Bohemier.



Brandon staff

Chris Aichele, Jacqueline Pierce and Gordon Turner.



Bert Neufeld and the Pork Pro-Motor.



MHPMB district boundaries map



● indicates District zones

- 1 - Southern
- 2 - West-Central
- 3 - North-Central
- 4 - North-West
- 5 - Central Plains
- 6 - Interlake
- 7 - Red River East
- 8 - Not geographically defined (see note page 14)

1988 MHPMB HOG DISTRICT PROFILE

MHPMB DISTRICT MARKETINGS — 1988				
MHPMB DISTRICT	NUMBER OF ACTIVE PRODUCTION UNITS		TOTAL MARKETINGS	
	1988	1987	1988	1987
#1 — Southern	540	490	180,217	158,499
#2 — West-Central	351	279	86,957	73,444
#3 — North-Central	345	310	63,684	56,089
#4 — North-West	325	288	63,982	54,553
#5 — Central Plains	606	577	223,190	209,705
#6 — Interlake	244	242	96,614	87,081
#7 — Red River East	620	523	490,144	450,107
#8 — Hutterite Colonies*	84	82	580,214	529,549
TOTAL	3,115	2,891	1,785,002**	1,619,027**

* District 8 is not defined by boundaries but encompasses all Hutterite Colonies in the Province that are duly registered as hog producers.

** Includes only hogs sold by registered hog producers in each of the eight MHPMB districts.

MHPMB HOG MARKETINGS BY SALES RANGE — 1988																
SALES RANGE	DISTRICT 1		DISTRICT 2		DISTRICT 3		DISTRICT 4		DISTRICT 5		DISTRICT 6		DISTRICT 7		DISTRICT 8	
	NO UNITS	% HOGS	NO UNITS	% HOGS	NO UNITS	% HOGS	NO UNITS	% HOGS	NO UNITS	% HOGS	NO UNITS	% HOGS	NO UNITS	% HOGS	NO UNITS	% HOGS
1 - 100	267	4.9	219	7.9	209	8.1	215	9.9	263	3.5	107	3.3	212	1.2	—	—
101 - 200	58	4.5	35	6.0	46	9.9	33	7.5	66	4.2	30	4.6	45	1.3	—	—
201 - 500	99	18.1	56	21.6	56	28.1	36	17.8	121	18.4	48	17.7	68	4.9	—	—
501 - 1000	71	27.4	22	18.1	19	20.9	30	33.0	95	30.7	25	19.3	122	18.5	—	—
1001 - 2000	32	24.3	14	20.8	14	27.9	9	19.2	52	30.6	28	39.7	112	33.0	—	—
2001 - 5000	13	20.9	3	8.5	1	5.0	2	12.6	8	9.2	6	15.5	55	32.5	14	8.9
5001 - 10000	—	—	2	17.1	—	—	—	—	1	3.5	—	—	5	6.2	62	76.2
10001 & Over	—	—	—	—	—	—	—	—	—	—	—	—	1	2.5	8	14.9

Comments: The total number of production units for 1988 increased by 224 or almost eight percent of the 1987 total. The number of units producing 500 hogs or more increased to 826 from 764 in 1987 and these units accounted for 86.1 percent of total production. A significant number of the units marketing from 1 to 100 head are made up of weanling production units whose sales consist primarily of cull sows and/or boars.

1988 in review statistical information pertaining to hog production, prices, imports and exports

TABLE 1

MANITOBA PRICE AND SALES SUMMARY					
MONTH	AVERAGE PRICE (F.O.B. WPG.)				TOTAL SALES
	100 INDEX HOGS		NO. 1 SOWS (DW)		
	IMPERIAL	METRIC	IMPERIAL	METRIC	
JANUARY	61.36	135.28	39.88	87.92	144,913
FEBRUARY	64.57	142.37	45.81	100.99	138,056
*MARCH	61.10	134.72	40.63	89.57	162,059
APRIL	60.29	132.92	40.16	88.54	147,184
MAY	65.34	144.06	43.43	95.75	138,556
*JUNE	68.75	151.58	39.90	87.97	163,587
JULY	62.67	138.18	35.31	77.85	138,791
AUGUST	60.26	132.87	36.47	80.41	140,868
*SEPTEMBER	57.88	127.61	36.70	80.91	179,593
OCTOBER	54.65	120.50	33.82	74.57	139,622
NOVEMBER	53.38	117.69	29.04	64.02	147,726
*DECEMBER	53.58	118.13	29.21	64.41	176,787
1988	60.31	132.98	37.53	82.74	1,817,742
1987	78.13	172.25	58.09	128.07	1,653,929
5 YR. AVG.	71.03**	156.59**	51.24	112.97	
10 YR. AVG.	69.57**	153.37**	51.65	113.87	

* Denotes 5 week month

** Denotes weighted averages

Comments: Board sales for 1988 increased by 163,813 head or 9.9 percent above the 1987 corresponding figure. The price trend for 1988, however, was the reverse with index 100 prices down \$39.27 per 100 kg or 22.7 percent from 1987. No. 1 Sows followed suit dropping \$45.33 per 100 kg, or down 35.4 percent from the 1987 average.

TABLE 2

M.H.P.M.B. — HOG MARKETINGS BY QUARTER — 1988					
	JAN.-MAR. 1st QUARTER	APR.-JUNE 2nd QUARTER	JULY-SEPT. 3rd QUARTER	OCT.-DEC. 4th QUARTER	TOTAL 1988
HOGS	436,000	440,258	449,019	454,907	1,780,184
SOWS	7,157	7,065	8,394	7,374	29,990
BOARS	1,871	2,004	1,839	1,854	7,568
TOTAL (88)	445,028	449,327	459,252	464,135	1,817,742
(87)	428,547	402,536	398,705	424,141	1,653,929
% CHANGE 88/87	+ 3.7	+ 11.6	+ 15.1	+ 9.4	+ 9.9

Comments: Quarterly marketings for Manitoba throughout 1988 reflect a constant growth pattern going from a low of 3.7 percent increase in the first quarter to a peak increase of 15.1 percent in the third quarter. These figures continue a steady growth pattern in effect since 1982. Sow marketings were up significantly for 1988 registering an overall increase of 17.4 percent, while boar marketings increased 10.8 percent.

TABLE 3

1988 MANITOBA PRODUCTION SUMMARY				
	BOARD SALES	+ NON-BOARD EXPORTS	- OUT OF PROVINCE IMPORTS	= NET MANITOBA PRODUCTION
HOGS	1,780,184	17,593	19,362	1,778,415
SOWS	29,990	12,991		42,981
BOARS	7,568	2,001		9,569
TOTAL	1,817,742	32,585	19,362	1,830,965
WEANLINGS		131,365		Change 88/87 + 10.8%

Comments: When taking into account Manitoba's import and export of live hogs, the net production figure for 1988 stands at 1.83 million head. This represents an overall production increase of 10.8 percent.

TABLE 4

INSPECTED HOG SLAUGHTER — CANADA AND UNITED STATES*			
PROVINCE OF ORIGIN	FEDERAL AND PROVINCIAL SLAUGHTER VOLUME		% CHANGE 88/87
	1988	1987	
BRITISH COLUMBIA	342,692	317,806	+ 8.0
ALBERTA	1,854,019	1,944,271	- 4.6
SASKATCHEWAN	982,280	805,411	+ 21.9
MANITOBA	1,797,476	1,640,101	+ 9.6
TOTAL WEST	4,976,467	4,707,589	+ 5.7
ONTARIO	4,630,274	4,380,829	+ 5.7
QUEBEC	4,677,869	4,556,512	+ 2.6
MARITIMES	590,996	575,765	+ 2.6
TOTAL EAST	9,899,139	9,513,106	+ 3.9
TOTAL CANADA	14,875,606	14,220,695	+ 4.6
TOTAL UNITED STATES	85,298,000	78,701,000	+ 8.4

*Source: Agriculture Canada

Comments: Total Canadian inspected hog slaughter in 1988 was reported at 14.8 million head. This figure was up 4.6 percent from 1987 and reflected provincial increases ranging from a low in Alberta of minus 4.6 percent to a high in Saskatchewan of plus 21.9 percent. These figures for Saskatchewan and Alberta reflect the prolonged labor dispute at one of Alberta's two hog slaughter facilities. U.S. inspected slaughter was up considerably, gaining 8.4 percent over the 1987 figure.

TABLE 5

FRESH AND FROZEN PORK EXPORTS			
EXPORTED TO	LBS.		% CHANGE 88/87
	1988	1987	
UNITED STATES	485,300,000	501,818,000	- 3.3
JAPAN	58,119,000	49,815,000	+ 16.6
OTHER COUNTRIES	32,647,000	21,610,000	+ 51.1
TOTAL	576,066,000	573,243,000	+ .5

*Source: Agriculture Canada (Preliminary)

Comments: Considerable increases in exports to both Japan and the EEC offset the decreased exports to the U.S. and allowed Canada to increase overall exports by 2,823,000 lbs. or a marginal percentage total of .5.

TABLE 6

FRESH AND FROZEN PORK IMPORTS			
IMPORTED FROM	LBS.		% CHANGE 88/87
	1988	1987	
UNITED STATES	14,490,000	11,650,000	+ 24.4
OTHER COUNTRIES	<u>10,875,000</u>	<u>23,871,000</u>	- 54.5
TOTAL	25,365,000	35,521,000	- 28.6

*Source: Agriculture Canada (Preliminary)

Comments: Considerable decreases in pork products imported from other countries, and in particular the E.E.C., offset substantial increases imported from the U.S. and allowed Canada to register an overall decrease in pork imports of 28.6 percent.

TABLE 7

PER CAPITA CONSUMPTION OF MEAT IN CANADA, 1977-1988												
(kilograms)	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988 ¹
Beef ¹	48.8	45.7	39.9	39.5	40.6	40.4	40.0	38.3	38.7	39.1	38.1	37.8
Pork ¹	25.1	25.9	29.0	31.3	30.1	27.8	28.6	27.8	28.4	27.6	27.9	28.3
Veal ¹	2.2	1.8	1.4	1.4	1.5	1.6	1.6	1.8	1.8	1.6	1.6	1.5
Mutton & Lamb ¹	0.8	0.8	1.0	0.8	0.7	0.7	0.8	0.8	0.7	0.9	1.0	1.0
Offal	1.6	1.9	1.3	1.8	1.3	1.2	1.4	1.4	1.6	1.7	1.5	1.4
Chicken & Fowl ²	16.5	17.2	18.7	18.4	18.3	18.6	18.8	19.7	21.0	21.4	21.7	22.2
Turkey ²	4.1	4.1	4.0	4.2	4.1	3.9	4.0	3.9	3.9	4.1	4.3	4.5

¹ Carcass weight. ² Eviscerated weight. ³ Author's estimate. Source: Statistics Canada.

Comments: The figures for per capita pork consumption continue to reflect a steady growth pattern. Estimates for 1988 are based on historical data as well as forecasted market prices and conditions.

TABLE 8

HOG CARCASS INDEXING REVIEW - 1988		
INDEXES	PERCENTAGES	
	MANITOBA	CANADA
114 - 112	7.7	4.3
111 - 109	14.9	10.5
108 - 106	28.3	26.3
105 - 103	15.2	16.7
102 - 100	14.8	18.1
99 - 97	6.5	8.6
96 - 94	3.1	4.2
93 - 91	1.4	1.9
90 - 83	1.5	2.3
82	.5	1.0
81	.5	.7
80	.4	.8
RIDGLINGS	.4	.4
1988 - 103 and OVER	66.1	57.8
1987 - 103 and OVER	63.6	57.1

Comments: Since 1981 the percentage of hogs indexing 103 or better has increased by 16.2 percent in Manitoba. On a national basis, hogs indexing 103 or better have increased 4.3 percent since 1981. The Manitoba increase for 1988 was .5 percent.

TABLE 9

MANITOBA HOG CARCASS WEIGHT DISTRIBUTION				
RANGE (KGS)	1988		1987	
	NO. HOGS	% CARCASSES	NO. HOGS	% CARCASSES
UNDER 60	7,142	.4	7,241	.5
60 - 64.9	20,392	1.2	18,314	1.2
65 - 69.9	99,188	5.9	83,407	5.5
70 - 74.9	330,490	19.5	290,643	19.0
75 - 79.9	552,379	32.6	509,121	33.4
80 - 84.9	429,170	25.3	389,465	25.5
85 - 89.9	179,288	10.6	161,775	10.6
90 - 94.9	53,820	3.2	47,366	3.1
95 - 99.9	14,537	.9	12,655	.8
100 UP	6,480	.3	5,564	.4

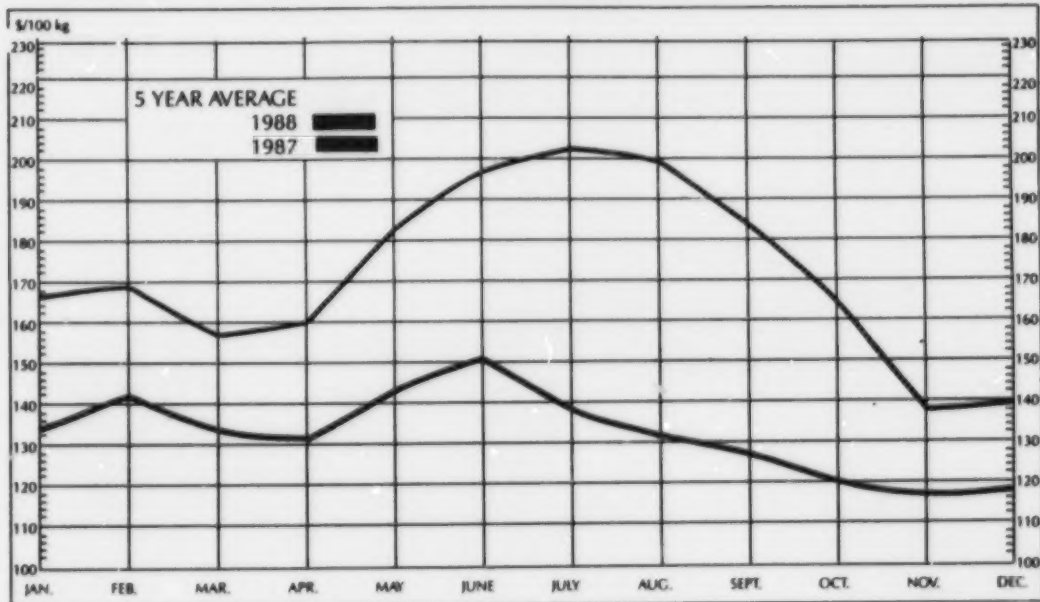
Comments: As a reflection of market conditions, producers in Manitoba increased marketings in the lighter weight categories of 60 to 74.9 kgs, while decreasing the number marketed in the core group of 75 to 84.9 kgs.

TABLE 10

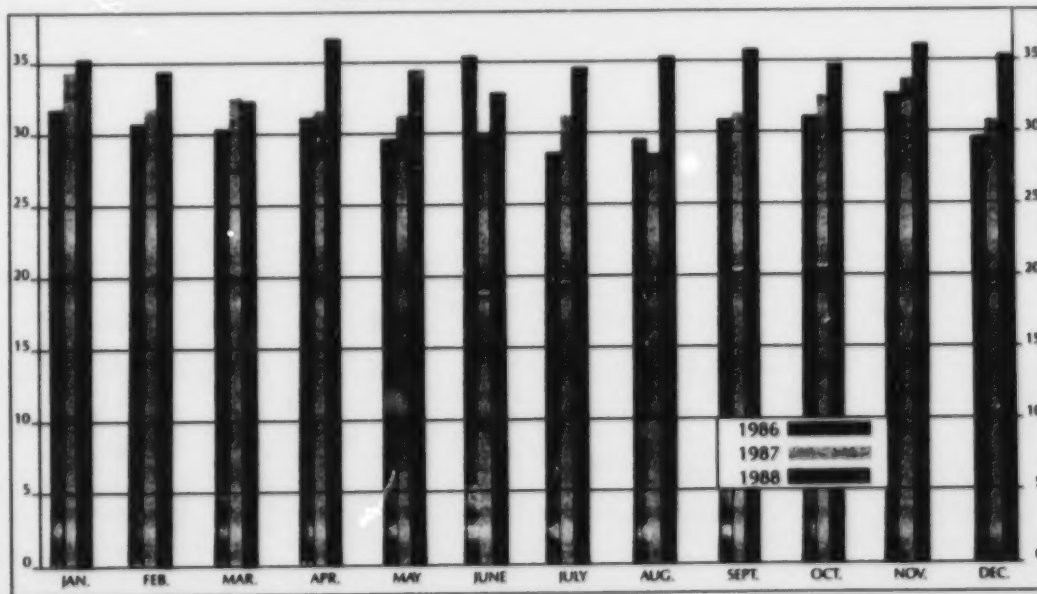
MONTHLY REVIEW: AVERAGE WEIGHTS & INDEXES 1988		
MONTH	AVERAGE MANITOBA INDEX*	AVERAGE CARCASS WEIGHT (KGS)
JANUARY	104.9	80.0
FEBRUARY	105.3	79.5
MARCH	105.4	79.3
APRIL	105.1	78.9
MAY	104.8	78.3
JUNE	104.5	77.7
JULY	104.4	77.6
AUGUST	104.5	77.8
SEPTEMBER	104.7	78.0
OCTOBER	104.5	78.6
NOVEMBER	104.6	78.4
DECEMBER	104.5	78.4
AVERAGE FOR 12 MONTH PERIOD	104.8	78.5

*Average Index Excludes Ridglings and Lights

**AVERAGE MONTHLY HOG PRICES
F.O.B. — WINNIPEG**



AVERAGE WEEKLY MANITOBA MARKETINGS



1988 'TOP 20' provincial winners

CONGRATULATIONS TO:	ADDRESS	AVG. WT. INDEX	TYPE OF OPERATION
1. John K. Guthrie #1 Prov. Winner 200-1000 Category	Reston	108.7185	Feeder Operation: Weanlings from Lloyd McLeod, Miniota
2. Springford Farms	Sanford	108.6996	Feeder Operation: Weanlings from Piche Hog Farms Ltd., Fannystelle
3. • Peter W. Barkman	Ste. Anne	108.6505	Farrow to Finish
4. Ernie Janzen	Altona	108.6035	Farrow to Finish
5. • Wellwood Colony Winner 4001 Up	Dunrea	108.5599	Farrow to Finish
6. Murray James Rempel	Birnie	108.4725	Feeder Operation: Weanlings from Allen Barkman, Cromer
7. Starlite Colony	Starbuck	108.2467	Farrow to Finish
8. Allen Barkman Winner 1001-4000	Birnie	108.1973	Feeder Operation: Weanlings from George Friesen, Riding Mountain
9. Linden Wohlgemuth	Riding Mountain	108.1939	Feeder Operation: Weanlings from Dean Wohlgemuth, Riding Mountain
10. Ray Timmerman	Treherne	108.1278	Farrow to Finish
11. Greenwald Colony	Beausejour	108.0605	Farrow to Finish
12. James Valley Colony	Elie	108.0583	Farrow to Finish
13. • Stanley Yaskiw	Birtle	108.0241	Farrow to Finish
14. • Henry S. Penner	Stephenfield	107.9945	Farrow to Finish
15. David E. Rolfe	Elgin	107.9470	Farrow to Finish
16. • Sommerfeld Colony	High Bluff	107.9111	Farrow to Finish
17. Greg Isaac	Arden	107.8830	Farrow to Finish
18. • Homewood Colony	Starbuck	107.8474	Farrow to Finish
19. • Spring Valley Colony	Brandon	107.8249	Farrow to Finish
20. • Treesbank Colony	Wawanesa	107.7845	Farrow to Finish

* Indicates New to Provincial Top 20

* Indicates 5 or more years in Provincial Top 20

1988 'TOP 20' district winners

DISTRICT 1		ADDRESS	AVERAGE INDEX
1.	David E. Rolfe	Elgin	107.9470
2.	Rita Rolfe	Elgin	107.3369
3.	D.V. & A.M. Dekoninck	Cartwright	107.1829
4.	Greg Fotheringham	Reston	107.1385
5. ••	Cliff & Jean McCallum	Boissevain	107.0543
6.	Richard Cousin	Swan Lake	106.8945
7.	Elsie & Dale Boyd	Killarney	106.8558
8. •	Daniel A.J. Doyon	Holland	106.6028
9. •	Dave Tiessen	Crystal City	106.4817
10. •	George A. Klassen	Manitou	106.4603
11.	David Day	Deloraine	106.4367
12.	Robert C. Smith	Killarney	106.3348
13.	Daniel A. Sierens	Swan Lake	106.2139
14. •	Henry Comte	Notre Dame	106.2001
15.	Trotter Farms Ltd.	Belmont	106.1981
16.	Gaudet Farms Ltd.	Somerset	106.0524
17.	Russell J. Boulton	Reston	106.0426
18. •	Leon De Koninck	Swan Lake	106.0273
19.	Robert & Teresa Wiebe	Killarney	105.9031
20. •	Clement Desrochers	Mariapolis	105.8263
DISTRICT 2			
1. •	John K. Guthrie	Reston	108.7185
2. •	Ray Timmerman	Treherne	108.1278
3. ••	J.P. Wiebe & Sons	MacGregor	107.2942
4.	Marcel Charriere	Notre Dame	106.9515
5. ••	Jake Peters	Wawanesa	106.7760
6. •	Eddie Plett	Wawanesa	106.6743
7.	Larry Fisher	Carberry	106.6528
8. •	John & Pat Hipwell	Virden	106.5795
9. •	Bill Martin	Elkhorn	106.5762
10. •	Harry Plett	Wawanesa	106.5296
11.	J.B. Hansen	Brandon	106.4048
12.	P A R 85	Wawanesa	106.3875
13. •	Doug Wilson Farms	Reston	106.1670
14.	Rexpork	Holland	106.1275
15. •	Elvin Penner	Virden	106.1121
16.	Henry Wm. Gradidge	Wawanesa	105.9832
17.	William Barkley	Virden	105.6441
18. •	Amroy Farms Ltd.	Carberry	105.5103
19. •	Ken & Linda Van Deynze	Treherne	105.4861
20.	Brian Robt. Prince	MacGregor	105.4785

* Indicates New to District Top 20

• Indicates 5 or More Years in District Top 20 •• Indicates 10 or More Years in District Top 20

DISTRICT 3

	ADDRESS	AVERAGE INDEX
1.	Murray James Rempel	Birnie 108.4725
2.	• Allen Barkman	Birnie 108.1973
3.	• Linden Wohlgemuth	Riding Mountain 108.1939
4.	• Stanley Yaskiw	Birtle 108.0241
5.	Greg Isaac	Arden 107.8830
6.	Rick Bartel	Riding Mountain 107.7730
7.	Shady Grove Farm	McCreary 107.7534
8.	•• Rogers Bros.	Arden 107.3867
9.	Birnie View Farms	Birnie 107.1709
10.	James L. Young	Miniota 107.1196
11.	Lone Pine Farm	Arden 107.1163
12.	Venton Beatty	Erickson 107.0877
13.	* Leslie W. Davie	Neepawa 107.0661
14.	•• Newton Farms	Neepawa 106.8867
15.	* Kelloe Korners	Shoal Lake 106.8740
16.	••• James D. Farquhar	Birtle 106.6113
17.	• Ken A. Farquhar	Birtle 106.5625
18.	Brian Tolton	Newdale 106.3552
19.	• Alfred Isaac	Arden 106.2391
20.	* Harry F. Friesen	Birnie 106.2063

DISTRICT 4

1.	•• Hans Immerkar	Swan River 107.3513
2.	Armand Larocque	San Clara 106.9094
3.	• Darrel Wohlgemuth	Roblin 106.8757
4.	Jack Klekta	Bowsman 106.6957
5.	• Ed Penner	Grandview 106.6118
6.	••• Burtondale Farms	Swan River 106.4050
7.	• Bernie Thiessen	Bowsman 106.3957
8.	• Acey Brinkman	Grandview 106.3843
9.	• Raymond Wohlgemuth	Swan River 106.3727
10.	• Ronald Bernardin	Laurier 106.2220
11.	* Raymond B. Kroeker	Birch River 105.7369
12.	• Ken Wohlgemuth	Kenville 105.7368
13.	John Isaac	Roblin 105.7079
14.	• Dale Froese	Grandview 105.6854
15.	• Michael McIntosh	Bowsman 105.3617
16.	• Dennis P. Barkman	Kenville 105.3189
17.	• Leon F. Wohlgemuth	Durban 105.2204
18.	* N & R Hopfner	Ste. Rose 104.9661
19.	* Ronald W. Medwid	Swan River 104.8660
20.	• B.W.G. Ventures	Dauphin 104.8534

* Indicates New to District Top 20 • Indicates 5 or More Years in District Top 20
•• Indicates 10 or More Years in District Top 20 ••• Indicates 15 or More Years in District Top 20

DISTRICT 5

	ADDRESS	AVERAGE INDEX
1. • Springford Farms	Sanford	108.6996
2. Ernie Janzen	Altona	108.6035
3. Henry S. Penner	Stephenfield	107.9945
4. * Ernie Siemens	Morris	107.6987
5. Glenn G. Dyck	Morden	107.6589
6. Raymond Wall	Lowe Farm	107.6346
7. * Vic Janzen	Carman	107.2862
8. * James D. Johnston	Emerson	107.2542
9. * John P. Voth	Altona	106.8884
10. Dennis Braun	Altona	106.8280
11. Terry W. Peters	Altona	106.8144
12. * Mazinke Farms Ltd.	Morris	106.7853
13. * Arie Veenendaal	Carman	106.7691
14. Kenr Farms Ltd.	Thornhill	106.7402
15. * Walter Giesbrecht	Altona	106.7293
16. Brian & Evelyn Watt	Morris	106.7004
17. Dewit Hog Farm	Carman	106.6094
18. Paul Reimer	Altona	106.5380
19. * Ken J. Voth	Altona	106.5026
20. * Cornelius Hiebert	Rosenort	106.4642

DISTRICT 6

1. •• Melvin Barkman	Riverton	107.2944
2. •• Alan M. Safiniuk	Balmoral	107.1403
3. Albert G. Doerksen	Arborg	107.1194
4. Keith L. Campbell	Teulon	106.7590
5. Calvern Farms Ltd.	Argyle	106.6255
6. * William & Linda Meads	Moosehorn	106.5418
7. Taylor Agro Ltd.	Marquette	106.4809
8. Blue Diamond Farm	Headingley	106.4073
9. Newlife Feeds Hogland	Winnipeg	106.3665
10. • William A. Christmas	Balmoral	106.2895
11. * Red River Hog Farm	Gunton	106.1723
12. •• Reimer's Farm	Fisher Branch	105.9380
13. * Henry Wm. Heller	Marquette	105.7340
14. • Leo Gudmundson	Arborg	105.5656
15. • John K. Plett	Fisher Branch	105.5222
16. Harold Loewen	Fisher Branch	105.3872
17. * Garth A. Abrahams	Argyle	105.3432
18. • Mulligan Hog Farms	Rosser	105.3290
19. Cornie Barkman	Arborg	105.3036
20. * Fred Walowetz	Balmoral	105.2550

* Indicates New to District Top 20

• Indicates 5 or More Years in District Top 20 •• Indicates 10 or More Years in District Top 20

DISTRICT 7

	ADDRESS	AVERAGE INDEX
1. • Peter W. Barkman	Ste. Anne	108.6505
2. Ron Froese	Grunthal	107.6732
3. • Gordon L. Henderson	Whitemouth	107.6598
4. •• John Loewen Farms Ltd.	Steinbach	107.5699
5. • Howard & Carolyn Plett	Blumenort	107.5600
6. Herman Reimer	Beausejour	107.5165
7. Levi Banman	Ste. Anne	107.4698
8. • Reimer & Brandt	Steinbach	107.4430
9. • Plett & Reimer	Landmark	107.2947
10. Jacob G. Friesen	Arnaud	107.2442
11. • Jerry Penner	Beausejour	107.1592
12. • John E. Harder	Grunthal	107.1398
13. • G.N. Friesen	Arnaud	107.0267
14. • Peter S. Toews	Grunthal	107.0244
15. • Bruno Leppelmann	Steinbach	106.9773
16. Henry Harder	Kleefeld	106.9451
17. • Edgar P. Friesen	Ste. Anne	106.9073
18. Gary John Penner	Kleefeld	106.8854
19. Tom & John Neufeld	Tcurond	106.8707
20. • Dennis Wohlgemuth	Ste. Anne	106.8705

DISTRICT 8

1. ••• Wellwood Colony	Dunrea	108.5599
2. Starlite Colony	Starbuck	108.2467
3. •• Greenwald Colony	Beausejour	108.0605
4. •• James Valley Colony	Elie	108.0583
5. •• Sommerfeld Colony	High Bluff	107.9111
6. • Homewood Colony	Starbuck	107.8474
7. •• Spring Valley Colony	Brandon	107.8249
8. Treesbank Colony	Wawarisa	107.7845
9. • Tri-Leaf Colony	Baldur	107.6681
10. Whiteshell Colony	Beausejour	107.6662
11. Lakeside Colony	Headingley	107.4535
12. Aspenheim Colony	Bagot	107.3839
13. New Rosedale Colony	Portage la Prairie	107.2206
14. Miami Colony	Morden	107.1302
15. • Souris River Colony	Souris	107.0744
16. • Green Acres Colony	Brandon	107.0586
17. • Fairholme Colony	Portage la Prairie	106.9717
18. Milltown Colony	Elie	106.9581
19. Good Hope Colony	Portage la Prairie	106.9079
20. • Springfield Colony	Anola	106.8887

• Indicates New to District Top 20 • Indicates 5 or More Years in District Top 20
 •• Indicates 10 or More Years in District Top 20 ••• Indicates 15 or More Years in District Top 20



pork promotion 1988

Retail, food service and nutrition programs highlighted both Canada Pork and local promotions in 1988. Marlene McDonald, Home Economist joined the Board in January 1988, on a part-time basis, to assist Ruth Dyker, Home Economist Promotions with the ever increasing variety of promotional and consumer programs. University student, Myra Emms, was hired for the summer to help deliver the Pork Steak retail program.

CANADA PORK PROGRAMS

1. RETAIL CAMPAIGNS

320 retail stores participated in Pork Steak Campaign/88. Radio and newspaper ads, TV shows, plus meat seminars to meat managers of 4 chains, gave added impetus and commitment to the program. The Superstore promotion featured the Pork Promoter barbecuing Pork Teriyaki steaks in the parking lot of the Grant and Kenaston store and in-store demonstrators providing samples in all five stores. Sales were fantastic!

Summer student, Myra Emms visited 281 stores during the summer and generally the retailers in Manitoba are pleased to see the pork industry involved in promotions, liked the P.O.P. materials and indicated pork sales are up as a result!

A Lean ground pork promotion, for all Superstores in the Prairie Provinces, featured in-store demonstrations and sampling, and used the new 'Flavour Up' ground pork stickers.

2. FOOD SERVICE

The food service program continues to be an excellent one. Two national campaigns, one in Sears restaurant cafeterias, and the other with Delta Hotels and Canadian Airlines, provided excellent exposure and results. Sales increased dramatically during the nine local promotions in cafeterias, small restaurants, hotels and gourmet dining, featuring a variety of delicious pork specials. The Victoria Inn in Brandon, as a result of a 2 week July pork promotion, has now placed 2 pork dishes on their regular menu, — 'Pork Tenderloin stuffed with Crab' and 'Pork Steak and Lobster Tail'.

Participation at the Scott National Food Service Show in Winnipeg provided an excellent opportunity for additional food service contacts.

3. CHEF'S APPRENTICESHIP PROGRAM

Canada Pork, Knorr, and Canadian Federation of Chefs de Cuisine have cooperated to provide a chef's incentive award for student chefs with the grand prize a trip to the 1990 Culinary Olympics in Singapore.

4. PAMPHLETS

Three new handouts were prepared by Canada Pork in 1988, a nutrition leaflet 'Pork the New Lean Meat', a health professional poster, and a new barbecue booklet, 'Summertime Fun'. These are extremely high quality, full-colour publications with pictures, charts, delicious recipes and educational information.

5. PROMOTIONAL ITEMS

Several attractive new Canada Pork promotional items — sweatshirts, mugs, aprons, oven mitts and ties were available, both for sale and for use as door prizes or giveaways. Most popular are the white and navy sweatshirts, according to Betty Hutchings, promotions assistant.



pork promotion 1988

LOCAL PROMOTIONS

1. CROWN ROAST PROMOTION

Nearly 100,000 frills were distributed in the 1988 Crown Roast Promotion to a variety of retail outlets. Stores have been tailoring these roasts to fit their market, small 6-8 lb ones in supermarkets with special order larger crown roasts of 10-15 lbs being sold in speciality meat markets. 339 chain stores and 27 independents participated. A feature article by Alice Kruger, Free Press food writer, plus full color ads in the Free Press, Brandon Sun and Winnipeg Sun, increased the visibility of this attractive festive season feature.

2. TV AND RADIO

Monthly TV shows on CKY featured a variety of cooking techniques and recipes with occasionally a Chef from one of the major hotels demonstrating his expertise with exciting pork dishes. CKND TV shows have been increased in time to a 25 minute slot — 4-5 times each year. Two radio tapes on "Consumer Update" are distributed to 5 rural radio stations each month and give the latest news on pork marketing, nutrition, products, labelling and consumer trends.

3. DISPLAYS AND DEMONSTRATIONS

Mall and fair displays, whether it be 'Heart Smart' at Polo Park Mall; barbecuing at Home Expressions; new product sampling at Brandon Winter Fair or appetizer ideas for the Christmas season at Portage Place, continue to attract large crowds of consumers and give promotion staff a chance to interact on a one-to-one basis with the public. As well, a series of cooking demonstrations during lunch hour at The Bay Downtown was a popular new feature. Consumer talks on nutrition, new products and cooking methods continue to interest women's groups such as 'Y' neighbors, Kinettes etc. Nutrition information and recipes were well received at Hog and Poultry Days and the Farm Women's Conference.

4. MEAT MONTH

Meat month 1988 was a huge success with health professional and fitness centers as the specific target group. Calgary Nutritionist, Helen Bishop McDonald entertained and educated over 200 people with her presentation, 'Foodstyles of the Fit and Famous', held at the Reh-Fit Center in January. Several media interviews, including CBC Questionnaire, CBC Body Talk, CKY and CKND - TV helped spread the Meat Month message.

5. NUTRITION AND HEALTH PROGRAMS

An increasing number of our pork promotions are based on nutrition and health, as it has become a high priority concern with consumers. 'Manitoba Foods For Happy Hearts' at the Polo Park Mall during February 1988 was planned in cooperation with the Manitoba Heart Foundation. Thousands of consumers were made aware of how pork fits into the Heart Smart criteria. Pork and a healthy lifestyle were also the focus for many of our TV shows, radio tapes and consumer talks and displays.

6. PORK PROMOTER

As well as barbecuing tons of pork for community groups, Bert Neufeld and the Pork Promoter also served up delicious Teriyaki Pork Steaks for Superstores retail promotion, and created 100's of lbs of special spareribs for the Labatt's media Rib Cooking Contest.

7. NEWSLETTER

'Foodstyles of the Fit and Famous' and 'Fat in the Diet', were the themes of two newsletters in 1988 sent out to over 300 dieticians, media, retail, food service and district home economists.

8. SPECIAL LUNCHEONS AT THE SHERATON

Delegates to the National Farm Writers Conference in November were treated to a delicious Northern Chinese Stir-Fry of Pork. The President's Luncheon of the Restaurant and Food Services Association featured an elegantly prepared and tasty 'Mignons of Pork with Wild Mushrooms'.

THE MANITOBA HOG PRODUCERS' MARKETING BOARD
FINANCIAL STATEMENTS
DECEMBER 31, 1988



A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Clarkson Gordon

Chartered Accountants
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AUDITORS' REPORT

To the Members of
The Manitoba Hog Producers' Marketing Board:

We have examined the balance sheet of The Manitoba Hog Producers' Marketing Board as at December 31, 1988 and the statements of revenue and expenditure, reserve for working capital and an offset to fixed asset investment, market development, pork promotion and research revenue, expenses and surplus, unallocated retained revenue, and cash flows for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the board as at December 31, 1988 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Clarkson Gordon

Winnipeg, Canada,
February 3, 1989.

Chartered Accountants.

THE MANITOBA HOG PRODUCERS' MARKETING BOARD
(Incorporated as a producer board under the laws of Manitoba)

BALANCE SHEET

DECEMBER 31, 1988

	<u>1988</u>	<u>1987</u>
<u>A S S E T S</u>		
Current:		
Cash in bank	\$ 408,615	\$ 429,427
Deposit receipts - interest bearing	7,300,000	9,200,000
Accounts receivable	1,150,534	803,943
Prepaid expenses	<u>6,500</u>	<u>20,500</u>
Total current assets	8,865,649	10,453,870
Fixed assets (note 2)	<u>1,790,922</u>	<u>1,841,133</u>
	<u>\$10,656,571</u>	<u>\$12,295,003</u>
<u>L I A B I L I T I E S</u>		
Current:		
Producer payables and outstanding cheques	\$ 4,635,192	\$ 6,572,015
Accounts payable and accrued liabilities	<u>922,750</u>	<u>830,442</u>
Total current liabilities	<u>5,557,942</u>	<u>7,402,457</u>
Contingency and commitments (note 6)		
Members' equity:		
Reserve for working capital and an offset to fixed asset investment	1,990,922	2,041,133
Surplus to be used for market development, pork promotion and research	559,049	713,726
Unallocated retained revenue	<u>2,548,658</u>	<u>2,137,687</u>
	<u>5,098,629</u>	<u>4,892,546</u>
	<u>\$10,656,571</u>	<u>\$12,295,003</u>

On behalf of the Board:

Director

Director

[Signature: P. Kase]
[Signature: Wilbur A. Newton]

(see accompanying notes)

THE MANITOBA HOG PRODUCERS' MARKETING BOARD
STATEMENT OF RESERVE FOR WORKING CAPITAL AND AN
OFFSET TO FIXED ASSET INVESTMENT

	<u>YEAR ENDED DECEMBER 31, 1988</u>	
	<u>1988</u>	<u>1987</u>
Balance, beginning of year	\$2,041,133	\$2,109,843
Transfer to unallocated retained revenue	(50,211)	(68,710)
Balance, end of year	<u>\$1,990,922</u>	<u>\$2,041,133</u>

STATEMENT OF MARKET DEVELOPMENT, PORK PROMOTION
AND RESEARCH REVENUE, EXPENSES AND SURPLUS

	<u>YEAR ENDED DECEMBER 31, 1988</u>	
	<u>1988</u>	<u>1987</u>
Revenue:		
Portion of fees allocated	\$ 200,000	\$ 500,000
Special promotion levy	298,987	229,441
Interest (note 6)	78,299	
	<u>577,279</u>	<u>729,441</u>
Expenses:		
Live hog exports	99,467	18,790
Market development	85,057	63,656
Industry association	56,721	54,452
Pork promotion - Manitoba (includes depreciation of \$5,020; 1987 - \$7,170)	163,446	149,618
Canadian Pork Council Special Trade Action Assessment	7,960	16,308
Research	80,500	50,561
Canada Pork assessment	238,805	244,619
	<u>731,956</u>	<u>598,004</u>
Excess (deficiency) of revenue over expenses	(154,677)	131,437
Surplus to be used for market development, pork promotion and research -		
Balance, beginning of year	<u>713,726</u>	<u>582,289</u>
Balance, end of year	<u>\$ 559,049</u>	<u>\$ 713,726</u>

STATEMENT OF UNALLOCATED RETAINED REVENUE

	<u>YEAR ENDED DECEMBER 31, 1988</u>	
	<u>1988</u>	<u>1987</u>
Balance, beginning of year	\$2,137,487	\$1,505,939
Excess of revenue over expenditure from operations for year	<u>360,760</u>	<u>543,038</u>
	2,498,447	2,048,977
Add transfer from reserve for working capital and an offset to fixed asset investment	<u>50,211</u>	<u>68,710</u>
Balance, end of year	<u>\$2,548,658</u>	<u>\$2,137,687</u>

(see accompanying notes)

THE MANITOBA HOG PRODUCERS' MARKETING BOARD

STATEMENT OF REVENUE AND EXPENDITURE

YEAR ENDED DECEMBER 31, 1988

	<u>1988</u>	<u>1987</u>
Revenue:		
Gross fees	\$2,308,543	\$2,583,200
Deduct -		
Portion applicable to market development, pork promotion and research	(200,000)	(500,000)
Special promotion levy	<u>(298,980)</u>	<u>(229,441)</u>
	1,809,563	1,853,759
Interest	571,848	571,855
Other	<u>72,142</u>	<u>44,582</u>
	<u>2,453,553</u>	<u>2,470,196</u>
Expenditure:		
Administrative and selling (schedule)	1,991,631	1,808,036
Depreciation	<u>101,162</u>	<u>99,122</u>
	<u>2,092,793</u>	<u>1,907,158</u>
Excess of revenue over expenditure from operations for year	<u>\$ 360,760</u>	<u>\$ 563,038</u>

(see accompanying notes)

THE MANITOBA HOG PRODUCERS' MARKETING BOARD

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 1988

	<u>1988</u>	<u>1987</u>
Cash provided by (used in) operating activities:		
Excess of revenue over expenditure from operations for year	\$ 360,760	\$ 563,038
Add charge to operations not requiring a current cash payment -		
Depreciation	106,182	106,292
Market development, pork promotion and research excess (deficiency) of revenue over expenses	(154,677)	131,437
Proceeds on sale of hogs	198,520,616	234,328,834
Distribution on settlements, including board fees	<u>(198,520,616)</u>	<u>(234,328,834)</u>
	312,265	800,767
Net changes in non-cash working capital balances related to operations (note 5)	<u>(240,283)</u>	<u>130,479</u>
Cash provided by operating activities	<u>71,982</u>	<u>931,246</u>
Cash used in investment activities:		
Purchase of fixed assets	<u>(55,971)</u>	<u>(37,582)</u>
Increase in cash during the year	16,011	893,664
Cash position at beginning of year	<u>3,057,412</u>	<u>2,163,748</u>
Cash position at end of year	\$ <u>3,073,423</u>	\$ <u>3,057,412</u>
Cash consists of the following:		
Cash in bank	\$ 408,615	\$ 429,427
Add deposit receipts	7,300,000	9,200,000
Deduct producer payables and outstanding cheques	<u>(4,635,192)</u>	<u>(6,572,015)</u>
	\$ <u>3,073,423</u>	\$ <u>3,057,412</u>

(see accompanying notes)

THE MANITOBA HOG PRODUCERS' MARKETING BOARD

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 1988

1. Significant accounting policies

(a) Nature of the board

The board was established to carry out the function of marketing hogs on behalf of the hog producers of Manitoba, including enhancing the market through market development, pork promotion and research. Accordingly, the financial statements have been prepared to reflect the operations and the activities in market development. The following is a description of how the revenue and expenses have been accounted for:

i) Revenues, expenditures and unallocated retained revenue

The board annually determines the amount of gross revenue from fees which is to be allocated for market development, pork promotion and research. The Statement of Revenue and Expenditure includes all revenues less the portion allocated to market development, pork promotion and research, and all expenses applicable to the day to day operations of the board. The excess of revenue over expenditure from operations is credited to the unallocated retained revenue.

ii) Market development, pork promotion and research

The board maintains a separate surplus account to be used for market development, pork promotion and research. The Statement of Market Development, Pork Promotion and Research Revenue, Expenses and Surplus reflects the revenue which has been allocated for this purpose; the expenses for market development, pork promotion and research including the net costs of certain market development costs of hog export; the excess of revenue over expenses; and the surplus at the end of the year.

iii) Reserve for working capital and an offset to fixed asset investment

The board maintains the reserve to indicate the amount of members' equity which has been invested in net fixed assets plus an amount required for ongoing working capital.

(b) Revenue recognition

Revenue from fee income is recognized at the time of settlement with producers for sales made on their behalf by the board.

(c) Fixed assets

Land, building, furniture and equipment are recorded at cost. Normal maintenance and repair expenditures are expensed as incurred.

Depreciation is provided on the basis and at the rates set out below:

<u>Asset</u>	<u>Basis</u>	<u>Rates</u>
Building	Straight line	2.5 - 25%
Furniture and equipment	Diminishing balance	20 - 30%

2. Fixed assets

	1988		1987	
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 431,145		\$ 431,145	\$ 431,145
Building	1,864,684	\$630,760	1,233,924	1,284,902
Furniture and equipment	370,976	245,123	125,853	125,086
	<u>\$2,666,805</u>	<u>\$875,883</u>	<u>\$1,790,922</u>	<u>\$1,841,133</u>

3. Lease commitment

The board is renting the Brandon office and yard under a lease expiring at the end of 1989 which requires a minimum annual rental of \$42,929.

4. Board members' remuneration and disbursements

	1988			1987
	<u>Per Diem</u>	<u>Expense</u>	<u>Total</u>	<u>Total</u>
District 1	\$ 5,962	\$ 4,881	\$ 10,843	\$ 21,469
District 2	5,971	6,017	11,988	14,432
District 3 (Vice-Chairman)	8,765	9,623	18,388	18,154
District 4	7,979	9,617	17,596	14,200
District 5	5,723	5,720	11,443	8,763
District 6 (Executive Committee)	6,840	10,080	16,920	14,184
District 7 (Chairman)	13,603	8,800	22,403	31,459
District 8	2,683	1,881	4,564	8,436
Miscellaneous charges		846	846	354
Gross remuneration and disbursements to Board Members	57,526	57,465	114,991	131,451
Less amount charged to market development	<u>3,316</u>	<u>11,551</u>	<u>14,867</u>	<u>34,159</u>
Amount charged to operations	<u>\$54,210</u>	<u>\$45,914</u>	<u>\$100,124</u>	<u>\$ 97,292</u>

4. Board members' remuneration and disbursements (continued)

The board consists of seven Directors and one Chairman. The Chairman's per diem is a combination of a \$5,000 annual salary plus a per diem of \$120. Directors' per diem rates are based on \$110 per day.

The Executive Committee is comprised of the Chairman, Vice-Chairman and one Director.

The charge to market development consists of four Board Members' per diems and expenses incurred as part of the vertical integration investigations and market development activities.

5. Net changes in non-cash working capital balances related to operations

	<u>1988</u>	<u>1987</u>
Decrease (increase) in accounts receivable	\$(346,591)	\$ 14,936
Decrease (increase) in prepaid expenses	14,000	(16,060)
Increase in accounts payable	<u>92,308</u>	<u>131,603</u>
Net changes in non-cash working capital balances related to operations	<u>\$(240,283)</u>	<u>\$130,479</u>

6. Contingency and commitments

- a) On November 13, 1987, the board agreed to act as guarantor of a line of credit for Springhill Farms Limited up to a maximum of six million dollars. The line of credit between Springhill Farms Limited and its bank will have Springhill Farms Limited's accounts receivable and inventory pledged as collateral security and will be administered in accordance with a specific agreement.
- b) The board is responsible to direct interest earned on withholdings it collects on behalf of The National Tripartite Stabilization Plan towards research. At year end, \$78,299 was committed.

THE MANITOBA HOG PRODUCERS' MARKETING BOARD

SCHEDULE

SCHEDULE OF ADMINISTRATIVE AND SELLING EXPENDITURE

YEAR ENDED DECEMBER 31, 1988

	<u>1988</u>	<u>1987</u>
Awards	\$ 10,186	\$ 6,075
Board members' remuneration,		
travelling and miscellaneous expenses	100,124	97,292
Claims and adjustments	16,034	20,565
Data processing	77,494	73,250
District meetings	107,942	84,081
Employee benefits	77,334	70,712
Insurance	75,866	62,229
Light, heat and water	160,535	135,900
Maintenance and repairs	43,729	43,896
Memberships and subscriptions	6,073	2,096
Microfilming and xeroxing	6,241	5,807
Miscellaneous	16,946	15,757
Newsletter and hog journal	26,655	17,512
Office rental - Brandon	7,254	7,254
Office supplies and stationery	32,483	32,817
Postage	47,751	46,131
Professional fees	33,107	38,048
Provincial Health and Education Tax	19,541	17,188
Realty and business taxes	89,805	85,885
Salaries	795,731	739,097
Stockyard rentals and expenses	131,723	113,328
Telephone and telegraph, net	85,182	69,259
Travel expenses	17,196	15,935
Truck wash	6,699	7,922
Total administrative and selling expenditure	<u>\$1,991,631</u>	<u>\$1,808,036</u>

(see accompanying notes)